



Press Release

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For immediate release

The Federal Open Market Committee at its meeting today decided to maintain the existing stance of monetary policy, keeping its target for the federal funds rate at 6-1/2 percent.

The drag on demand and profits from rising energy costs, as well as eroding consumer confidence, reports of substantial shortfalls in sales and earnings, and stress in some segments of the financial markets suggest that economic growth may be slowing further. While some inflation risks persist, they are diminished by the more moderate pace of economic activity and by the absence of any indication that longer-term inflation expectations have increased. The Committee will continue to monitor closely the evolving economic situation.

Against the background of its long-run goals of price stability and sustainable economic growth and of the information currently available, the Committee consequently believes that the risks are weighted mainly toward conditions that may generate economic weakness in the foreseeable future.

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